Report on usage of bio-fuel

82. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that according to the Planning Commission Report on the development of bio-fuels, use of ethanol as a substitute for gasoline and bio-diesel for petro-diesel could save nearly Rs.900 crores annually;

(b) whether it is also a fact that by using bio-fuels we can create employment opportunities of more than 155 million days;

(c) if so, what are the other salient features of the report; and

(d) what action Government are contemplating on the report?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI SUMITRA MAHAJAN): (a) The Report envisages that production of bio-diesel should be gradually raised to reach a blending level of 20% in the year 2011-12 beginning with 5% blending in 2006-07. Similarly for ethanol it has recommended that blending of ethanol with motor spirit may be raised to 10%. Therefore, savings would depend on the percentage of use of ethanol and bio-diesel in petrol and diesel respectively.

(b) It is planting of sapling and collection of seeds which would create employment opportunities. The quantum of employment generated would depend on the land under cultivation for bio-diesel seeds.

(c) The other salient features of the report are, *inter alia*, as follows:-

R&D should be carried out to develop technologies which are competitive in cost of production of ethanol from molasses.

The National Mission on Bio-Diesel would be implemented in two phases *viz.*, implementation of demonstration project by 2006-07 in 1st phase and a self sustaining expansion of the programme from 2007 in the 2nd phase.

(d) For blending of 5% ethanol with petrol, the Ministry of Petroleum and Natural Gas have already taken steps and 9 States and 4 Union Territories are likely to be covered by sale of only ethanol-blended petrol

by December, 2003 and the States of Uttaranchal and Madhya Pradesh by 1.1.2004 and 1.3.2004 respectively. For examining the impact of bio-diesel-diesel blend on vehicles under Indian conditions, the Ministry of Petroleum & Natural Gas have decided to launch a pilot project at Rewari. For implementation of the Report of the Planning Commission, the Ministry of Rural Development has been made the nodal Ministry.

Policy on sharing of profits

83. DR. T. SUBBARAMI REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Ministry of Petroleum and Natural Gas has forwarded a proposal for giving States a share in the profits made from any oil or gas struck in their territories in future;

(b) if so, whether this move envisages the sharing of petroleum profit in 50:50 ratio between the Government and the State concerned and oil or gas found in future from the on-going exploration efforts under the NELP rounds;

(c) whether Government have approved this proposal; and

(d) if so, by when it is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI SUMITRA MAHAJAN): (a) to (d) The Government has forwarded the proposal of State Governments for sharing of Profit Petroleum accruing to the Central Government from the exploration blocks under New Exploration Licensing Policy (NELP) in the ratio of 50:50, to the XII Finance Commission for consideration.

Guidelines for selection of dealers

84. SHRI ABU ASIM AZMI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any guidelines and criteria for selection of POL and LPG dealers/distributors have been approved by Government;

(b) the number of dealers/distributors selected by the companies during the year 2002-2003 and during the period 1st April-30th September, 2003 State-wise; and